

# **FISCAL NOTE**

## **HB 2222 - SB 2237**

January 23, 1998

**SUMMARY OF BILL:** (1) Raises the informal purchase ceiling from \$5,000 to \$10,000 if the Board of Standards unanimously agrees and enables bids to be solicited by telephone and/or facsimile rather than formal sealed bids; (2) Raises the limit for purchases which do not have to be requisitioned through the Purchasing Division from \$1,000 to \$2,000; and (3) Grants authority for the state to participate in Cooperative Purchasing Agreements with other states, local governmental entities and higher education institutions.

### **ESTIMATED FISCAL IMPACT:**

**Decrease State Expenditures – Exceeds \$100,000**

**Decrease Local Govt. Expenditures – Exceeds \$100,000**

- (1) Increasing the informal purchase ceiling from \$5,000 to \$10,000 will not change the amount spent but the method used.
- (2) Increasing the limit for small value delegated purchases from \$1,000 to \$2,000 will not change the amount spent but will expedite small value purchases by agencies.
- (3) Authorizing Cooperative Purchasing is estimated to provide agreements which will result in a decrease in state and local government expenditures and assumes that the combining of multi-state volume requirements will make prices more competitive and provide for more bargaining concessions by the vendors. The savings to state and local governments will be dependent upon the number of participants in the Cooperative Purchasing Agreement and the volume of commodities purchased but is estimated to be significant.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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